STATE OF RHODE ISLAND

Employment Bulletin

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Rhode Island Employment and Unemployment - January 1990

Total Rhode Island establishment employment fell in January with decreases occurring in both the Goods Producing and Service Producing segments of the state's economy. The January job total of 453,000 represents a monthly decline of 10,400 and is 900 below the January 1989 figure of 453,900.

Employment Estimates Revised

Published estimates for 1988 and 1989 have been revised to a first quarter 1989 benchmark. Current figures reflect data on new firms, expansion or contraction in existing firms not sampled, and also reflect changes in assigned industrial coding caused by product or service changes occurring in 1988-1989.

Total employment among the Service Producing industries declined 6,600 in the December-January period to 330,000 but was up 3,900 from the year ago figure. Seasonal downturns in Wholesale/Retail Trade resulted in a monthly drop of 4,200 jobs. Employment levels in Services and Finance/Insurance/Real Estate fell by 1,200 and 800, respectively. A decrease of 300 occurred in Transportation/Public Utilities, while overall Government employment was down 100 in January.

The number of jobs in the Goods Producing sector totalled 123,000 in January, reflecting a downturn of 3,800 from last month and a decline of 4,800 from the January 1989 level. Contract Construction, posted a seasonal job decrease of 1,800 resulting in the January employment level of 17,700. Overall factory jobs, at 105,300, showed a monthly decrease of 2,000 and an annual downtrend of 4,100. Manufacturers of Durable Goods reported a reduction of 1,500 jobs from December while those in Nondurable Goods were down 500. The most substantial monthly job decline (-1,100) was recorded in Jewelry-Silverware. Smaller employment decreases of 100 each occurred in Stone-Clay-Glass, Primary Metals, Fabricated Metals, Nonelectrical Machinery, Transportation Equipment, the Miscellaneous Manufacturing segment, Food-Beverage, Textiles, Apparel, Paper Products, Printing-Publishing and Chemical Products. In contrast, employment in Electrical Machinery and Rubber Products increased by 200 and 100, respectively. Instruments, Plastics Products and Leather Products job totals remained stable during the month.

The January work week averaged 39.5 hours, down 0.1 of an hour from last month, but up 0.1 of an hour from a year ago. Production workers averaged $9.30 in January, up 4 cents from December and 38 cents compared to January 1989.

Rhode Island's seasonally adjusted unemployment rate rose by 0.8 to 6.3 percent in January from an estimated 5.5 percent in December. The state's unadjusted unemployment rate increased from the December estimate of 5.0 percent to a January level of 6.4 percent. Correspondingly, the jobless total increased to 33,400 in January, up 7,100 from the previous month's figure of 26,300.

Nationally, the civilian unadjusted unemployment rate advanced by 0.8 of a percentage point - from 5.1 percent in December to 5.9 percent in January. When adjusted to account for seasonality, the rate was unchanged at 5.3 percent.

CHANGES TO ESTABLISHMENT EMPLOYMENT CATEGORIES

In accordance with new Bureau of Labor Statistics guidelines, several changes have been made to the way in which we report establishment employment figures.

Total employment is now broken out into two main categories: Goods Producing and Service Producing. Further, Contract Construction (formerly in Nonmanufacturing) is now part of the Goods Producing category along with Total Manufacturing. The Service Producing category consists of all former Nonmanufacturing sectors, except Contract Construction.

These changes are for reporting purposes only and will not affect the overall employment totals.

TAX CREDITS FOR EMPLOYERS

Recent federal legislation has extended the Targeted Jobs Tax Credit program (TJTC) through the end of the current Federal fiscal year - September 30, 1990. The program, originally established in 1978, is a cost-effective way of increasing private sector employment opportunities for individuals in nine target groups who traditionally have had difficulty obtaining and holding jobs. TJTC offers you the employer, a credit against your business tax liability when you hire and retain persons from these targeted groups.

TJTC is a one-year credit and it amounts to 40% of the first year wages up to $6,000 per employee. You are allowed a maximum credit of $2,400 per employee for the first year of employment. In order to claim the credit, you must retain the worker for 90 days or 120 hours, whichever comes first. (14 days or 20 hours in the economically-disadvantaged summer youth category). Certification requests must be postmarked prior to or on the day the employee begins work.

Requests for certification must specify that the worker is potentially eligible for at least one but not more than two target groups. You must certify that a good faith effort was made to determine that the individual is a target group member. Both these program changes apply to individuals who started work after December 31, 1989; they do not apply if the individual has a valid voucher as a target group member.

Employers may qualify for tax credits under the Targeted Jobs Tax Credit program when they hire from the following target groups:

(A) A Vocational Rehabilitation Referral,
(B) An Economically Disadvantaged Youth,
(C) An Economically Disadvantaged Vietnam-Era Veteran,
(D) A Supplemental Security Income (SSI) Recipient,
(E) A General Assistance Recipient,
(F) A Youth Participating in a Cooperative Education Program,
(G) An Economically Disadvantaged Ex-Convict,
(H) An Eligible Work Incentive Employee (Includes WIN Demonstration Participants and AFDC Recipients),
(J) A Qualified Summer Youth.

The Rhode Island Department of Employment and Training determines the eligibility of workers for all categories of the program and issues the certification required for you to receive the tax credits. It does not, however, assume responsibility for workers hired prior to being vouchered for TJTC.

Further information about TJTC is available by contacting any local office of the Rhode Island Department of Employment and Training or calling (401) 277-3724.

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Employment and unemployment statistics contained in this report were compiled by THE DEPT. OF EMPLOYMENT AND TRAINING in cooperation with the BUREAU OF LABOR STATISTICS, U.S. DEPT. OF LABOR. For additional information contact RESEARCH AND STATISTICS AT 277-3706. TDD Voice: 277-3718

RHODE ISLAND

Labor Force Statistics
(In Thousands)

	January 1990	December* 1989	January* 1989
Civilian Labor Force	522.9	528.1	513.3
Resident Employment	489.5	501.8	496.9
Unemployment	33.4	26.3	16.4
Rate (Unadjusted)	6.4	5.0	3.2
Seasonally Adjusted Rate	6.3	5.5	3.2

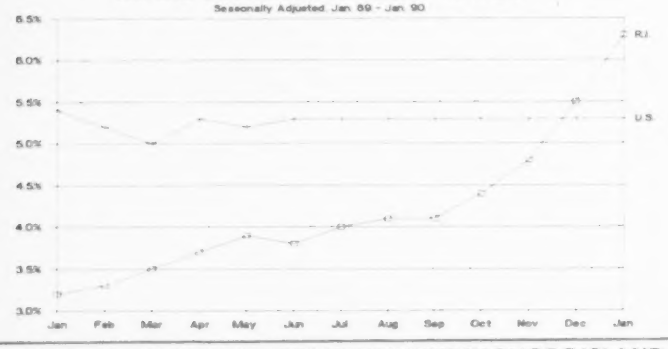
*Revised

UNITED STATES

Labor Force Statistics
(In Thousands)

	January 1990	December 1989	January 1989
Civilian Labor Force	123,293	123,998	122,095
Resident Employment	116,037	117,698	114,786
Unemployment	7,256	6,300	7,309
Rate (Unadjusted)	5.9	5.1	6.0
Seasonally Adjusted Rate	5.3	5.3	5.4

R.I. and U.S. UNEMPLOYMENT RATES



TOTAL ESTABLISHMENT EMPLOYMENT IN RHODE ISLAND

	EMPLOYMENT (In Thousands) Jan 1990	Dec 1989	Jan 1989	NET CHANGE FROM Dec 1989	Jan 1989
TOTAL EMPLOYMENT	453.0	463.4	453.9	- 10,400	- 900
GOODS PRODUCING	123.0	126.8	127.8	- 3,800	- 4,800
MANUFACTURING	105.3	107.3	109.4	- 2,000	- 4,100
CONTRACT CONSTRUCTION	17.7	19.5	18.4	- 1,800	- 700
SERVICE PRODUCING	330.0	336.6	326.1	- 6,600	+ 3,900
TRANS. & PUBLIC UTILITIES	14.9	15.2	15.1	- 300	- 200
TRADE (Wholesale & Retail)	105.4	109.6	105.3	- 4,200	+ 100
FINANCE, INS. & REAL ESTATE	26.6	27.4	26.6	- 800	0
SERVICE (Miscellaneous)	123.6	124.8	119.6	- 1,200	+ 4,000
GOVERNMENT	59.5	59.6	59.5	- 100	0

ESTABLISHMENT EMPLOYMENT, EARNINGS AND HOURS IN MANUFACTURING INDUSTRIES IN R.I.

January 1990

	EMPLOYMENT (In Thousands)	PRODUCTION-WORKER AVERAGES Weekly Earnings	Weekly Hours	Hourly Earnings
ALL MANUFACTURING	105.3	367.35	39.5	9.30
DURABLE MFG.	71.3	364.31	39.3	9.27
LUMBER/FURNITURE	3.1	433.15	38.4	11.28
STONE-CLAY-GLASS	1.4	489.21	40.7	12.02
PRIMARY METALS	4.1	398.82	39.1	10.20
FABRICATED METALS	8.9	334.95	38.5	8.70
NONELECTRIC MACH.	5.7	463.70	41.7	11.12
ELECTRICAL MACH.	6.5	352.41	39.2	8.99
TRANS. EQUIPMENT	8.1	509.41	42.7	11.93
INSTRUMENTS	7.3	401.53	42.4	9.47
JEWELRY-SILVERWARE	20.4	285.38	38.0	7.51
MISCELLANEOUS MFG.	5.8	292.94	35.9	8.16
NONDURABLE MFG.	34.0	373.46	39.9	9.36
FOOD-BEVERAGE	2.9	340.73	38.5	8.85
TEXTILES	9.0	330.83	40.1	8.25
APPAREL	1.7	315.93	40.4	7.82
PAPER PRODUCTS	2.1	359.04	40.8	8.80
PRINTING-PUBLISHING	6.7	453.08	37.6	12.05
CHEMICAL PRODUCTS	2.9	455.20	40.0	11.38
RUBBER PRODUCTS	5.9	428.07	41.2	10.39
PLASTICS PRODUCTS	0.8	365.09	39.9	9.15
LEATHER PRODUCTS	2.0	284.61	40.6	7.01

Farmers, Self-employed, Domestic and Armed Services personnel are excluded from the Establishment Employment figures. Current month figures are PRELIMINARY. Prior month and year figures are REVISED.